

ABSTRACT OF THE DISCLOSURE

When characterized as an improved method of making payments from a plurality of payor entities to a plurality of payee entities through a service provider, the invention consists of a number of method steps which will now be described. First, authorization is obtained from a plurality of payor entities which allows a service provider to make payments, on behalf of the plurality of payor entities, to a plurality of payee entities. Then at least one trusted intermediary financial institution is selected. The trusted intermediary financial institution periodically receives payment information and payment authorization from the plurality of payor entities. The trusted intermediary financial institution automatically transfers funds, in amounts only consistent with at least the payment information, to the service provider. Preferably, the payment information includes at least (1) an identification of each of the plurality of payee entities; (2) an identification of payment amounts for each of the plurality of payee entities; (3) a payment record identifier which is uniquely associated with each payment; and (4) an authorization code which is uniquely associated with each payment record identifier.

Additionally, payment instructions are periodically communicated from the plurality of payor entities to the service provider. The payment information includes at least (1) an identification of each of the plurality of payee entities, (2) an identification of payment amounts for each of the plurality of payee entities; and (3) a payment record identifier which is uniquely associated with each payment amount.

Then, the service provider is utilized to (1) consolidate payment instructions from the plurality of payor entities, (2) direct a negotiable instrument, in an amount equal to the consolidated payments, to each of the plurality of payee entities, (3) generate payment authorization data for the

1 negotiable instruments, and (4) communicate the payment authorization data
2 to the trusted intermediary financial institution. Upon receipt of the negotiable
3 instrument from any of the plurality of payee entities, the trusted intermediary
4 financial institution is utilized to (1) verify the request for payment, and (2)
5 automatically transfer funds between the plurality of payor entities and the
6 service provider, and the service provider and the plurality of payee entities, in
7 amounts necessary to allow payment.

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9 An alternative technique is discussed which is similar but which allows
10 for the outsourcing of the delivery of payment information only.

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